



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

June 17, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF AMENDMENT NO. 1
TO CONSULTANT SERVICES AGREEMENT WITH
HEALTH MANAGEMENT ASSOCIATES
(SUPERVISORIAL DISTRICTS 1, 2 AND 5)
(3 VOTES)**

SUBJECT

Request approval to amend consultant services Agreement with Health Management Associates to continue with their assistance in transitioning to a new staffing and operational structure at the Martin Luther King, Jr. Multi-Service Ambulatory Care Center.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Interim Director of Health Services, or his designee, to sign Amendment No. 1 substantially similar to Exhibit I to Consulting Services Agreement No. H-703113 with Health Management Associates (HMA) to:
a) extend the term to August 31, 2008, b) provide additional consulting services related to progress in meeting operational benchmarks for the Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC), and c) increase the maximum obligation by \$82,100, effective July 1, 2008.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

2. Delegate authority to the Interim Director of Health Services, or his designee, to extend the Agreement term for an additional four months, effective September 1, 2008 through December 31, 2008, at no additional cost, to allow additional time, if needed, for the completion of the deliverables related to the MLK MACC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will allow Department of Health Services (DHS) to amend the consulting services Agreement with HMA to assist the staff at MLK MACC in meeting operational benchmarks and to accomplish streamlined processes in the delivery of outpatient services to the community which involves meeting national benchmarks in the health industry. The outcome of these activities will allow the Department to maximize human and financial resources.

Implementation of Strategic Plan Goals

This action supports Goal 3, "Organizational Effectiveness," Goal 4, "Fiscal Responsibility," and Goal 7, "Health and Mental Health," that will improve delivery, efficiency and quality of health care for the MACC indigent population.

FISCAL IMPACT/FINANCING

The total cost of Amendment No. 1 to Agreement No. H-703113 with HMA is \$82,100, effective July 1, 2008 through August 31, 2008. If the option to extend the Agreement term effective September 1, 2008 through December 31, 2008 is utilized, there is no additional cost, as this is to allow additional time for completion of the deliverables related to MLK MACC.

Funding for the term of this Agreement is included in Health Services Administration's Fiscal Year 2008-09 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 15, 2008, your Board approved Agreement No. H-703113 with HMA for the provision of consultant services related to lower level of care connection for the LAC+USC Healthcare Network (LAC+USC), the implementation of the MACC Plan at MLK MACC and standardization at High Desert Health System MACC, in the amount of \$429,005.

On May 29, 2008, the Interim Director of Health Services exercised his delegated authority, approved by the Board on January 15, 2008, to administratively amend the Agreement with HMA to extend the term for one month through June 30, 2008 and increase the maximum obligation by ten percent, or \$42,900, to provide for additional related services. The Department provided the required written notice to the contractor, and obtained required approvals from County Counsel and the Chief Executive Office for the execution of an administrative amendment.

Amendment No. 1 will provide for additional consultant services necessary to meet operational benchmarks for MLK MACC. These services would include on site technical expertise in the disciplines of medicine and nursing to oversee progress made in the implementation of MACC goals. This activity would also include reviewing the strengths and weaknesses in meeting established MACC benchmarks for outpatient services.

The Agreement may be terminated by County with a 30-day advance written notice to Contractor.

County Counsel has reviewed and approved Exhibit I as to use and form.

CONTRACTING PROCESS

HMA was originally selected on a sole source basis for consulting services because of their expertise, knowledge of and familiarity with the MACC services for MLK and the transition of the hospital from an inpatient to outpatient facility. In the event that the Department is in need of services to be provided beyond the recommended action, formal Board approval of an Agreement Amendment will be required prior to any such work proceeding.

The proposed amendment was not listed on the County's Web Site as such postings are not necessary for contract amendments.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Board's approval of the recommended amendment with HMA will provide for services that will further enhance the delivery of health care for the MLK MACC community.

Honorable Board of Supervisors
June 17, 2008
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CONCLUSION

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a horizontal line.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
LML:AMT:yb

Attachment

c: County Counsel
Interim Director, Department of Health Services

061707_DHS_HMA

CONSULTANT SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2008,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

HEALTH MANAGEMENT ASSOCIATES
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"CONSULTANT SERVICES AGREEMENT", dated January 15, 2008, and
further identified as County Agreement No. H-703113 and any
Amendments thereto including any Administrative Amendments (all
hereafter referred to as "Agreement"); and

WHEREAS, the Agreement between the parties permits the
Interim Director of Health Services to extend the term of the
Agreement if the County requires additional services; and

WHEREAS, the County, has determined the need to extend the
term of the Agreement for an additional two (2) months, through
August 31, 2008, and to increase the maximum obligation, in the
amount of \$82,100, for additional necessary related services; and

WHEREAS, the Agreement may be amended to provide for these changes which is formally approved and executed by the parties.

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term, increase the allocation, and make the changes described hereinafter.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2008.
2. Agreement Paragraph 1, TERM, shall be replaced in its entirety with the following:

"1. TERM: This Agreement shall be effective January 15, 2008 and shall continue, unless sooner terminated or canceled, in full force and effect to and including August 31, 2008.

Thereafter, this Agreement may be extended up to an additional four (4) months, in the sole discretion of the Interim Director of DHS, through December 31, 2008 in order for Contractor to perform close out activities related to the work required under this Agreement. Interim Director shall provide Contractor with written notice of his intent to extend this Agreement, including the length of time for which the Agreement is to be extended, no later than August 1, 2008. Any such extension shall be memorialized through an administrative amendment, shall be approved by the Chief Executive Office and County Counsel prior to its execution by the parties, and shall be executed by the parties prior

to August 31, 2008. In the event the Interim Director fails to notify Contractor that he is exercising his option to extend, this Agreement shall terminate at midnight on August 31, 2008.

Except as specifically noted in this Agreement, all provisions of the Agreement shall remain in full force and effect for the duration of the extension period. There shall be no additional compensation for work performed during the extension period.

County may suspend the performance of services immediately for any breach of Agreement by Contractor and withhold further Agreement payments upon the giving of prior written notice to the Contractor. County's notice shall set forth the extent of the suspension and the requirements for full restoration of Contractor's performance obligations and County's payments.

Notwithstanding any other provision in this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time."

3. Agreement Paragraph 4, MAXIMUM OBLIGATION, shall be revised as follows:

"4. MAXIMUM OBLIGATION:

A. During the period of January 15, 2008 through August 31, 2008, the maximum obligation of County for Contractor's performance hereunder shall not exceed Five Hundred Fifty-Four Thousand, Five Dollars (\$554,005).

4. Exhibit C, Scope of Work-Amendment No. 1, attached hereto and incorporated herein by reference, shall be added to the Agreement.

5. Schedule 3-Amendment No. 1, attached hereto and incorporated herein by reference, shall be added to the Agreement.

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Interim Director of Health Services, and Contractor has caused
this Amendment to be subscribed in its behalf by its duly
authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Interim Director

HEALTH MANAGEMENT ASSOCIATES
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMONG G. FORTNER
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES

HEALTH MANAGEMENT ASSOCIATES

SCOPE OF WORK – AMENDMENT NO. 1

July 1, 2008 through August 31, 2008

DELIVERABLE	DUE DATE	DHS FACILITY	DELIVERABLE COST
1) Written report detailing the <u>second</u> month's progress in meeting the staffing and operational benchmarks established by the Martin Luther King, Jr. (MLK)-Multi-Service Ambulatory Care Center (MACC) Department of Health Services (DHS) leadership in transitioning to a new staffing and operational structure at MLK MACC. The report will include targets for the final month's focus.	July 31, 2008	MLK-MACC	\$41,050
2) Written report detailing the <u>final</u> progress in completing the staffing and operational benchmarks established by the MLK-MACC and DHS leadership in transitioning to a new staffing and operational structure at MLK MACC. The report will also include recommendations for future attention by MLK and DHS leadership related to MLK.	August 31, 2008	MLK-MACC	\$41,050
TOTAL			\$82,100

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES

HEALTH MANAGEMENT ASSOCIATES

SCHEDULE 3 – AMENDMENT NO. 1

July 1, 2008 through August 31, 2008

BUDGET

<u>I. Staff Services</u>	<u>Hourly Rate</u>	<u>No. of Hours</u>	<u>Budget</u>
Pat Terrell	\$325	50	\$16,250
Dr. Terry Conway	\$325	50	\$16,250
Mary Roos	\$325	40	\$13,000
Dr. Jack Raba	\$325	40	\$13,000
Analyst To Be Determined	\$325	40	\$13,000
Total - Staff Services			\$71,500
II. Travel Expenses			\$10,600
III. Total Program Costs			\$82,100